

**Montana's Regional Innovation Grant (RIG)**  
**MEETING SUMMARY**

**CORE LEADERSHIP GROUP**  
Ronan, Montana

Prepared for  
**Montana Department of Labor and Industry**  
September 22, 2008

**Montana's Regional Innovation Grant (RIG)**  
**CORE LEADERSHIP GROUP (Meeting 1 of 6)**  
Ronan, Montana

**SESSION OBJECTIVES**

1. Affirm the Leadership Group's end products and deliverables as requested by the Regional Innovation Grant (RIG).
2. Finalize the collaborative framework within which the Core Group will work.
3. Flesh out the asset mapping and get started on the process of identifying growth industries and needed skills.

**INTRODUCTION**

The Core Leadership Group for Montana's Regional Innovation Grant (RIG) held their first meeting in Ronan, Montana at the Mission Mountain Country Club on September 22, 2008. The following summarizes who attended; the Group's discussion, observations, and feedback; and homework for the next meeting scheduled for October 23, 2008.

**Who's here and what have they heard on their "traplines"?**

- Marcy Allen (BREDD) – People she talked to said "oh, another planning process". People unclear on how this will be different. There is misunderstanding about what we do as an industry in economic development.
- Marnie Criley (Wildlands CPR/ Montana Forest Restoration Committee) – Interested in the restoration economy in Montana. The conservation community is interested in being kept up to date. Some cynicism. Can build bridge with whole new constituency.
- Billie Lee (Lake County Community Development) – Cynicism within the economic development groups Billie works with. People need to see something happen after planning – where do we go from here? As they look at this process they wonder how this is going to benefit their business in the long-term.
- Ray Marshall (Sanders County) – Sanders County lost a major industry ten years ago and we need jobs. That is why Ray is here. He wants to identify where jobs are needed and the skills our community can identify and develop to meet those needs. Whatever we come up with must be flexible. For every action is a counter-balancing reaction. Our statistics show what was – not what can be. Let's not focus too much on the past.
- Shelly Fyant (Kicking Horse Job Corps) – We're not teaching forestry in the Job Corps program anymore because the jobs aren't there. We need more young people involved in this process.

- Ruth Link (Missoula Organization of Realtors) – Housing is a concern. People are concerned with the effect on housing by what is happening to the timber industry.
- Greg Landon (Job Corps) – Goal is to involve youth in the process. Ensure that skills and training are not only here in Western Montana but prepare our youth for other parts of the country. Most of the response from people Greg spoke with was “Oh, that’s nice...but we need results.”
- Jennifer Nelson (Northwest Montana Economic Development District) – There have been a lot of past efforts to bring in economic stimulus, but no results yet. Jennifer attended a conference in Billings and the WIRED people were there. People are aware of what we are doing and are pulling for us. We can’t turn our backs on the timber industry.
- Kim Morisaki (Montana West Economic Development) – Interested in growth industries. What matters is the creativity that helps move us forward.
- Chad Delong (Missoula Area Economic Development Corporation) – Believer in regionalism; believer in implementation.
- Susie Burch (Flathead Valley Community College) – Also interested in implementation and educational funding. Susie sees new faces at the table and that’s good. People she spoke with had some cynicism and a wait and see attitude, but people want to be kept informed. Let’s not lose our beginner minds.
- Charlie Wright (Montana Department of Commerce) – People he spoke with want to revitalize the wood products industries. Some cynicism – we are ten years too late. Questions on what will the legislature be able to do in the next session. There are policy makers and decision makers who will affect what we get done and how we get things done. We are two years ahead when it comes to working with the legislature.
- Debbie Krantz (Lake/Sanders County Job Service) – This is an opportunity to learn as a group not only what we can share with each other but identify what we don’t know. People Deb spoke with in community meetings are excited about the possibility of jobs being brought to the community and region. Job Service will be the implementers.
- Kay Strayer (Montana Department of Labor & Industry) – Keeper of the web page. Kay explained the difference between the WIRED grant and the RIG grant.
- Dixie Stark (Literacy Bitterroot and Darby School Board) – Dixie quoted Mark Twain, “It’s not the truth that counts, it’s what people believe”. Dixie said people are having trouble processing bug-killed trees and unhealthy forests. Perceptions and underlying beliefs may actually be myths. Our ground rules and guiding principles will help us not get trapped in those discussions. We need to do things in a collaborative way.

- Tim Bronk (Superintendent, Darby Schools) – Tim’s teaching background is in business education/technical education. He attended the fall conference for Superintendents. None of them knew about this process. There is benefit for educators to know about this process. They are interested in declining enrollment, lack of funding.
- Al Maurilla (Montana Department of Labor & Industry - Central Montana) – Here to learn. Deals with similar identity issues with community of Livingston and ties to Bozeman.
- Jay Wilson Preston (Community Tel/Ronan Telephone Company) – Sees a need to envision where we are going in the future. We have a variety of telecommunication initiatives going on. Since 1988 Jay has been volunteering for economic development in the area. Instead of “demise” we need to think about the wood products industry as “changing”. Break net growth leads to losing area identity. Jay would like to see us constrain growth and direct it. Well directed, focused wood products industry is needed. This is an opportunity to rebuild and focus.
- Jim Morton (District XI Human Resource Council) – How do we define “we as a people” here in Western Montana? We need to plan and provide for better community economy. How does this process incorporate other processes that have occurred? How are we capturing and not duplicating those efforts?
- Doug Rauthe (Northwest Montana Human Resources) – Is the HRDC for Lake, Sanders, and Lincoln Counties. Doug has been working in economic development since 1978. Job creation and work force development is important. Doug talked to twelve people in all four counties. Only five chose to respond. A rising tide raises all boats. We need to include small businesses in this group. Implementation is important. Having been involved for thirty years, a lesson learned is we need to celebrate our successes. A 4% unemployment rate hasn’t happened without success.
- Rosalie Cates (Montana Community Development Corporation) – MCDC focus is on financing. It is important for us to get close to workforce and education in this process. We are in an opportunity basket.
- Lynn Stocking (University of Montana, College of Technology) - Lynn reported that people she spoke with are interested in knowing more and being involved. How do we do social networking in terms of dollars/resources/education? Some people are concerned with critical mass of terms and economic development processes.

- Pat Hulla (Montana Department of Labor & Industry) – Pat is continually hearing “how do we provide this work force?” We need a way to integrate the pieces – look ahead to where the next best thing is happening. We need this process to be action oriented and engage businesses. People are watching us and we don’t have enough weight yet to have things happen. The WIRED grant was developed to put people into training on energy development. 800 people were trained under WIRED. This RIG process is different – the framework is on activities (what is out there?). This process will bring groups together, provide education, understand the driving factors, and have significant impact. Many people fear this is just another State project. The facilitators will help keep us honest and neutral. There are no available funds beyond the administration of this core group to get its work done. This group will make decisions on which growth industries to focus on. There is a clause in the grant that if we get done early and there is money left over we can turn it into training. This group has permission, opportunity, and resources to get the job done.

## REFOCUSING

### Discussion Ground Rules

**The Core Group affirmed the following ground rules to encourage productive discussion throughout the process:**

- Speak one at a time. Share your thoughts openly but honor a “three minute” rule.
- Listen actively and honorably. Allow the other to finish.
- If you don’t agree with another’s comments: (1) Do “active listening” to be sure you are clear about their statement; (2) offer a useful, thoughtful alternative – rather than just disagreement and critique.
- In this less than formal setting and in this more relaxed environment, be frank, simple, direct, and honest while refraining from personal attacks. Give each other the opportunity to voice opinions safely.
- Be tolerant of process – it may seem tedious but a durable collaborative outcome takes time and intentional collective effort.
- Recognize and honor roles.
- Honor timeframes. Stay on track and help the group stay on track.
- Avoid side conversations.
- Turn off your cell phones and other electronic communicating devices (or in the case of an emergency, ask the group’s permission to leave it on).
- Recognizing the usefulness of consensus recommendations to the Department of Labor and Industry, aim for 100% agreement – acknowledging that there will be issues where 100% is not possible. In this situation, 100% will mean that everyone “can live with it” – and agrees not to sabotage it on the outside.
- The Facilitators will manage the discussion through an interest-based process toward agreement(s). Where necessary and useful to the eventual outcomes, the Core Group will revisit this particular ground rule.
- Demonstrate respect and honor the spirit of confidentiality.

### **Critical Path and Core Leadership Group Expected “Deliverables”**

The Core Group reviewed the “Critical Path” process and products for the Regional Innovation Grant. (See Attachment A)

### **Guiding Principles**

The Core Group was briefed on the Guiding Principles brainstormed at the 4 Community meetings and it was explained that they would be used in the process as they move forward. (See Attachment B)

### **Reviewing the CEDS**

The group offered the following observations from their homework review of the Comprehensive Economic Development Strategies (CEDS) prepared for the Bitter Root Economic Development District (Ravalli, Mineral, and Missoula counties) and Northwest Economic Development District Flathead, Lake, Lincoln, and Sanders counties):

- Interesting to see the historical links between the counties.
- Terms are not clear to everyone (i.e. “rural resort dwellers” used in the BREDD. Note: Marcy clarified the term was for characterization only. “Montana Means Business” web-based data set developed these terms.
- Ravalli County has the highest rural rooted tapestry.
- Sanders, Lake, and Mineral focus on forestry.
- Some CEDS focus on the “haves” and “have nots.”
- Mineral County lacks services, jobs because of their close proximity to Missoula.
- Missoula and Ravalli counties differ in wishes, needs. Demand for infrastructure is pretty equal.
- There is a common theme of environment and geology. This factor links the CEDS together and makes us unique.
- There is a desire to maintain our rural identity and also our individual urban identities.
- People in various communities engaged in different processes. To those communities who have been engaged for a long period may see this process as “rote”.
- The tribal information was included in government statistics instead of standing alone. Salish-Kootenai College has a four-year forestry degree now.
- The CEDS are collections driven by the same requirements but different interpretations.
- Geographic-specific areas may be a barrier to combining into a regional image.
- Loss of 25% fund from timber receipts is reflected in the Missoula (Seeley Lake) CEDS.
- In asset mapping we can pull out industries in common. Examples are public infrastructure, health care, timber, etc. That is the job of our core group.

## Useful Data

The group listed other data that could be useful to review. The source notes the person who highlighted the data or who knows how to access such data or an event.

- Inland Northwest Economic Development Adjustment Strategy (Montana cluster analysis). Source: Billie and Chad will forward to Kay Strayer for the website.
- Employment cluster for Ravalli County. Source: Patti Furniss may have
- Job projections for next ten years. Source: DOL Kay
- Demographic and Economic Information for the Salish and Kootenai Tribes. Source: Shelly
- "Our facts" – Yourfuture.org Source: DOL Kay
- University of Montana partnership with Montana West for under-employed.
- Wage benefit survey for three counties. Source: BREDD website.
- The group would like to see the organizational websites of the core group members linked to our website. Source: DOL Kay
- Health Care Work Force Study. Source: Rosalie
- Center for Rocky Mountain West
- Headwaters
- Bureau of Economic Research
- Missoula Organization of Realtors affordability of housing in region
- Humboldt County Study of Restoration. Source: Marnie, who will also report back on the upcoming restoration meeting she is attending.
- Montana Manufacturing Extension Center website (Bozeman). Source: Doug
- Slides from Billings conference on Workforce in Montana. Subject; deals with educational attainment. Source: Pat Hulla
- Montana World Trade Center import/export data

## Other ongoing data collection efforts identified were:

- Metal manufacturing. Source: Susie
- Feasibility study being done in the Flathead valley on biomass generated fuels. Source: Kim
- Small Business Administration did high impact companies study nation-wide. 250 companies in Flathead Valley counted as high impact (i.e., doubled sales in two years). Source: Kim
- Restoration case studies. Source: Marnie
- There is a home business expo in the works. Source: Ray, Sanders County
- Bitterroot Valley Community College survey on what area people want to be trained in. Source: Dixie
- National Renewable Energy Lab – future role of hot water and hot springs for energy. Storing of wind energy is issue. Energy may be an example of a "cluster link". Source: Jennifer

## **Getting Started in the Process**

### **Breakout groups brainstormed ideas for the following tasks:**

#### **List additional information or changes to the information in the Western Montana Regional Asset Map**

- Columbia Falls plant or CFAC
- Plum Creek
- Identify tribal data differently – private industries, not all government
- Tribal demographics; Tribal transit system
- Bonner Stimson closure
- Construction (and all industry) downturn; layoff in log homes
- Real estate sales tapering off; Foreclosures increasing, but uneven (fewer in Missoula)
- Declining Job Corps enrollment
- New industry in wood products
- Link between affordable housing and job commute
- Libby finger joint (-15)
- Glaxo-Smith-Kline layoffs
- New energy audit companies
- Timber receipts – PILT & RACs to expire
- Population to double over 60 by 2030 (?)
- Significant hidden economy
- Internet based jobs & companies
- Manufacturing decline in Bitterroot ??

#### **Using the Asset Map and your information, identify commonalities or common threads**

- Health care
- Tourism prominent – 1 in 4 new companies started by someone who came as tourist
- Wood products/Agriculture
- Financial and professional services
- Age – aging (need to identify training); Significant aging population
- Missing component – 25 year old “transient” population
- Workforce shortage – targeted industry
- Educational resources available
- Environment – Natural resources/Recreation/Geographic isolation
- Transportation Systems; long-distance commuters
- Cost of transportation - may change urban hubs & more work from home
- Income-tax infrastructure
- Government ownership of land; loss of private timberlands
- Changing property ownership will affect tradition use and access
- Artists and desire for customized products
- People move in for quality of life, but then can’t afford to live here
- Outsourcing of government jobs
- Great opportunities for research and patents



Identify perceived growth industries

- Restoration opportunities; environmental restoration
- Energy; alternative and renewable energy
- Health care – telemedicine/training/geriatric/local up-to-date support; Home care services (not base but huge business impact)
- Educational, eco and cultural tourism
- Information technology – telecommunication; website design; marketing
- Timber/forest products – value added; new use of resource and new resources, wood products
- “Locavores”
- Geriatric services
- Bio-technology
- Financial industry
- Export cluster
- New agriculture
- Trades as strategy for future
- Education including private schools and transportable (i.e., Idaho Panhandle model)
- Intellectual property as goal

Define “clusters”

- Group of companies with similar assets, resources and needs that you can build an infrastructure to support. Normally address the same market.
- Support industries around a core industry

Identify/define clusters and links

- Think cluster analysis already done for Montana(??)
- How do we define when 80% may have few employees and may not be in city boundaries?
- Small business entrepreneurial cluster that supports and “bubbles up” through other clusters
- Multiple collaborations - federal & state government
- Commuting, affordable housing and employment
- Art, artisans and manufacturing
- Link training opportunities
- Telecommuting
- Health care – Education for career ladder; home health support; biotech research (GSK)
- Energy – alternative, traditional and retrofitting for efficiency (geothermal, hydropower, biomass, furniture, bark for landscaping, chips for pressboard and biomass boilers, pellets)
- Restoration, i.e., small diameter roundwood

Identify any homework or data gaps based on the discussion

- How many high-impact companies (who, what and where)
- Identify models and best practices (BAER information and contacts)
- Education clusters – industry, career, etc.
- Opportunities: how do we recognize; how do “we” respond; who is the “we”; how do we discover or become aware; how do “we” respond as a team
- Poverty data
- Hidden economy – how to track
- Differences between data and what we see on the ground Transportation – tracks goods in (import) and out (export); planes, trains and trucking
- How MT growth industries play out in global market
- Examine success stories
- Economic growth does not equal economic development

**Observations/Common Themes**

The group as a whole noted common themes that emerged from the discussion about growth industries:

- Telecommunications
- Using the forest
- Transportation
- Infrastructure
- So many growth areas are lifestyle dependent and “management of” not just a product
- Changing demographics (age)
- Education is the glue, a cluster, a model
- There is no mother lode
- There is still no clear understanding of our goal or the end product. We need to spell out our objectives as given by Pat Hulla today. We need to think about how to “test” what we come up with.
- We are data rich and data challenged (how to use data).
- We are in the “information gathering” phase.

**HOMEWORK FOR NEXT TIME**

- Read over Guiding Principles handout. These will set the parameters of our decision space.
- Review the Ground Rules handout.
- Review definitions in “Montana Means Business” data set.
- Continue trapline talks and affirm the growth industries and links amongst the counties.
- Facilitators agree to review the identified data pieces, summarize, and prepare a document for the Core Leadership Group.

## **MARK YOUR CALENDARS**

### Upcoming core group meetings

October 23

November 20

December 18

January 21 – 23, 2009 (Two of the three days)

Feb. 19 or 26

Target date for RIG report – early March

### Other upcoming meetings and conferences of interest

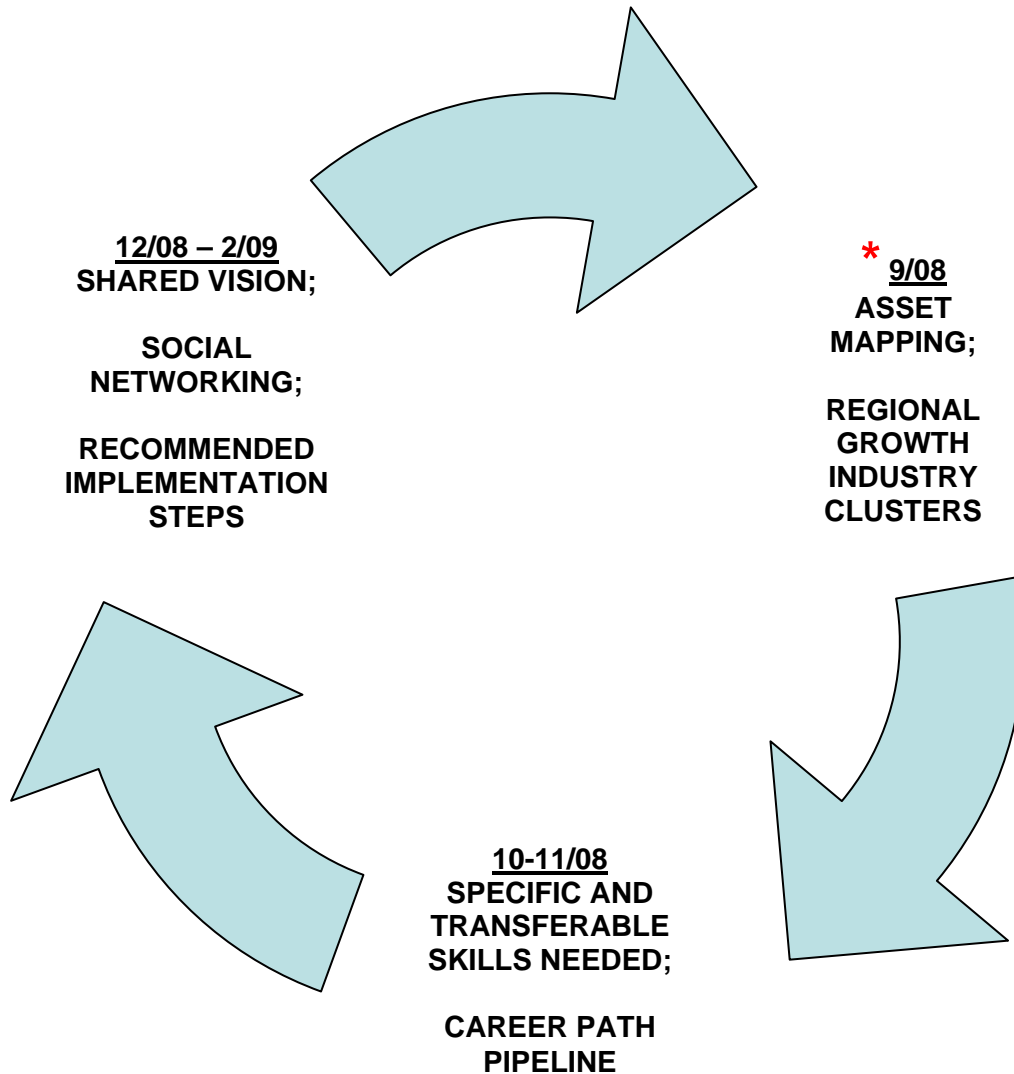
October 17 – Economic Information Day at Flathead County Community College.

Website: [www.successinthenewwest.com](http://www.successinthenewwest.com)

October 28 (Tentative date) – MAEDC-sponsored meeting and effort to take a comprehensive, coordinated, long-term view of region. Chad will provide more information as this takes shape so the core group can think about how they might interface with this endeavor.

## Attachment A

### MONTANA'S REGIONAL INNOVATION GRANT (RIG) Core Leadership Group – Process and Products “CRITICAL PATH”



\* You are here.

## **Attachment B**

### **Guiding Principles**

Participants at the 4 community meetings were asked to think about core values that would provide guidance and help narrow the decision space regarding the eventual RIG recommendations. Some core values that appear to be shared across meetings were:

- The importance of diversity in industries, the workforce, and in skill sets/talents
- The value of lifelong learning and educational systems that are connected, accessible, affordable, and adaptable
- A value for business that recognizes the importance and connection between profit, the community and the environment (“triple bottom line”)
- Respect for human potential and a decent wage
- Partnerships, interdependence, and the value of enduring relationships
- Sense of community/importance of facilitating community generations
- Inclusion
- Quality of life and sustainability
- Accountability

Samplings of the guiding principles representing those values are listed below:

- We believe that a diverse economy creates opportunity and stability.
- We believe in lifelong learning and that education is a key catalyst in facilitating diverse economies.
- We believe that our workforce must be diverse, including people of all ability levels, because it’s everyone’s right to have the opportunity to work.
- We believe that everyone should have the opportunity for affordable training and education.
- We believe that partnerships between business and education are necessary to build strong communities and a robust economy and that what makes up training has to have the input of business/employers.
- We believe that businesses are most successful when they recognize economics, community and the environment (the “triple bottom line”).
- We believe Montana should be a place where young people can and want to stay and that we should recruit businesses to Montana that offer “living wages”.
- We believe in human potential – that people ought to be able to grow and develop in their work and have a sense of satisfaction in the workplace.
- We believe it is a worthy endeavor to help people achieve their potential and that individual potential contributes to the overall community potential.
- We believe that, in order to have a sustainable economy, we need to build an economy that attracts and engages the next generation.
- We believe that public funds should be judiciously utilized to teach people skills and foster career decisions toward relevant employment.
- We believe that the role of government is to provide the physical and legal infrastructure for communities and businesses to compete and succeed while stewarding the environment and sustaining local quality of life.
- We believe quality of life attributes are important factors in this discussion.
- We believe that we all own all the problems – and that no area should be left behind. We benefit or are impacted by what happens to the workforce, to businesses, and to communities.

A few guiding principles brought more specific points to the discussion. For example, the guiding principle stated below captures the frustration many feel regarding the apparent inability of federal managers to proactively manage the National Forests for reliable timber/wood products. But at the same time, it recognizes the need to look forward and perhaps redefine “timber industry” in today’s world.

- We believe that sustainable management of our forests was and can again be a reality. We also recognize that we have to look at alternative ways to take advantage of our forests.

Some felt that the best training and education for today’s workforce is one that provides the learner with choices and flexibility because the skills/talents acquired are more portable industry to industry.

- We believe that all people have the right to be heard and that learners are more vested when prepared in such a way that they have choices.
- We recognize that “soft skills” are important to workforce development and to having successful businesses in the 21<sup>st</sup> century.

Discussion about communication systems and our technological world led to the following guiding principle that expands thinking about what a “business”, “industry”, “job” is...

- We recognize that a business does not always have to have a storefront and/or a physical product.

Finally, participants in one way or another felt that collaboration and coordination throughout a region are more productive approaches and contribute to leveraging resources and forming enduring interdependent relationships.

- We believe that the process should not encourage harmful competition and divisiveness among local communities.
- We believe that in communities and a regional economy, we should celebrate our successes.